

EXPRESS TERMS

Title 13, Division 1, Chapter 1

Article 3.6 – Business Partner Automation (BPA) Program

§ 225.00. Definitions.

The following definitions shall apply to this article.

- (a) "BPA" means the Business Partner Automation Program.
- (b) "BPA contract" means an agreement between the State and a qualified private industry partner as authorized under ~~Section 1685 of the~~ Vehicle Code section 1685.
- (c) "Accountable inventory" means inventory identified by a unique serial number that is assigned by the department. These items are the department issued license plates, year stickers, vessel stickers, and salvage and nonrepairable vehicle certificates. These items are at all times the property of the department.
- (d) "Business partner" means a qualified private industry partner as set forth in Section 1685 of the Vehicle Code.
 - (1) A business partner that acts as a registration service is subject to Chapter 2.5, Division 5 of the Vehicle Code unless otherwise exempt.
 - (2) A business partner that acts as a vessel agent is subject to Chapter 2, Division 3.5 of the Vehicle Code unless otherwise exempt.
- (e) "Controlled inventory" means inventory that may impact the registration of vehicles and collection of fees. These items are the department issued computer DMV 95A paper, Commercial Vehicle Registration Act (CVRA) decals and stickers, PFR stickers and month stickers. These items are at all times the property of the department.
- (f) "First-line business partner," "first-line service provider," and "second-line business partner" are defined as set forth in ~~Section 1685(b)(1)(A) through (C) of the~~ Vehicle Code sections 1685(b)(1)(A) through (C).
- (g) "Interface" means the electronic exchange of information.
- (h) A "change in legal structure" means a change between sole owner, partnership, corporation, association, limited liability company or other legal entity.
- (i) "Miscellaneous original" means a transaction for an application for California title/ownership certificate when the supporting documentation does not include a California new vehicle report of sale form or a title or evidence of ownership from

another state or international jurisdiction and there is no record on the department's vehicle registration (VR) database. This may include:

- (1) Unavailable Record (Document submitted may be a California title or registration card, but the vehicle/vessel is not listed in the California vehicle registration ~~history~~ database-).
 - (2) No Evidence of Ownership (Document submitted is not recognized by the Polk Motor Vehicle Registration Manual, Title, Registration and Related Procedures for all ~~Statesbook~~ States as evidence of title/ownership).
 - (3) Vehicle with ~~manufacturer's~~ Manufacturer's Statement of Origin (MSO) (Document submitted as evidence of title/ownership is a Manufacturer's Statement of Origin (MSO) created by the vehicle's manufacturer).
 - (4) Vehicle with Manufacturer's Certificate of Origin (MCO) (Document submitted as evidence of title/ownership is a ~~manufacturer's~~ Manufacturer's Certificate of Origin (MCO) created by the vehicle's manufacturer).
- (j) "Owner" means sole owner, partner (except for limited partner), ~~Limited Liability Company~~ limited liability company members, or private and public corporation directors and principal shareholders with ~~40~~ ten % or more interest in the corporation.
- (k) "Permanent Fleet Registration (PFR)" means the intrastate registration of fleet vehicles authorized by Vehicle Code section 5301 to display a permanent license plate sticker on each participating fleet vehicles.

Note: Authority cited: Sections 1651, ~~and~~ 1685, and 5301, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.03. Application Requirements.

A business partner applicant shall complete all requirements and submit to the BPA Program Administrator the following:

- (a) A business partner applicant shall complete, sign and submit an application form for the appropriate type of business.
- (1) The application form for a first-line business partner is a Business Partner Automation Application; First-Line Business Partner form, REG 4024 (REV. ~~10/2008~~ 2/2010).
 - (2) The application form for a first-line service provider is a Business Partner Automation Application; First-Line Service Provider form, REG 4023 (REV. ~~10/2008~~ 2/2010).

- (3) The application form for a second-line business partner is a Business Partner Automation Application; Second-Line Business Partner form, REG 4025 (REV. ~~10/2008~~ 2/2010).
- (4) The application forms identified in Sections 225.03(a)(1) through (3) of these regulations are hereby incorporated by reference.
- (5) Each business partner owner shall be identified on the application form submitted pursuant to Sections 225.03(a)(1) through (3) of these regulations.
- (b) A business partner applicant shall pay a non-refundable application fee of ~~three hundred and twenty four dollars (\$324)~~ \$324 for its principal place of business and ~~one hundred and thirty dollars (\$130)~~ \$130 for each site added with the application. Checks shall be made payable to the Department of Motor Vehicles. This fee shall be paid at the time the application is submitted. An application for a BPA contract shall be submitted via ~~US~~ U.S. mail or private courier to the following address: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.
- (1) An application shall be valid for one year from the date the application is first received by the department. An applicant who fails to fulfill the requirements identified in this section within one year from the date the application is first received by the department must reapply and pay a new application fee.
- (c) A business partner applicant shall provide the information required by the ~~Business Partner Automation Program Information Security Pre-Implementation Checklist for First-Line Business Partner and First-Line Service Provider~~ Business Partner Automation Program Information Security Pre-Implementation Checklist First-Line Business Partner and First-Line Business Partner Service Provider form, EXEC 5555A (NEW 11/2002) or the Business Partner Automation Program Information Security Pre-Implementation Checklist ~~for Second-Line Business Partner form, EXEC 5555B (NEW 11/2002), which are hereby incorporated by reference,~~ and in the BPA contract.
- (d) A business partner applicant shall submit a photocopy of the completed and signed Request for Live Scan Service Applicant Submission (License, Certification, Permit Only, or Business Partner Automation Program Participant) form, DMV8016 (Rev. ~~11/2001~~ 2/2008) in accordance with Section 225.06 of these regulations and a Statement of Personal History Pre- Implementation Screening Process Business Partner Automation Program Privacy Statement and Instructions to Applicant form, REG 4019 (Rev. 11/2002) for each owner and each employee. The Statement of Personal History form is and Request for Live Scan Service form are hereby incorporated by reference. A business partner applicant shall submit the documents required by this section for all owners, managers, and administrative staff responsible for the oversight of the program or who manage, administer, supervise, or monitor transactions, inventory, employees, or money; order or account for inventory; and employees who process vehicle registration transactions or work directly with customers.

- (1) A business partner applicant located out-of-state or with BPA site locations out-of-state shall ~~submit fingerprints~~ be responsible for fingerprinting and obtaining a hardcopy of the results for each owner identified on the application form and each of its employees ~~on a Fingerprint Card form, ADM1316 (Rev. 1/97) or on a Request for Live Scan Service form~~ in accordance with Section 225.06 of these regulations.
- (A) ~~The Fingerprint Card form shall be submitted to a local law enforcement agency. After the local law enforcement agency completes the form, processes for fingerprints, and signs and identifies itself, the form shall be returned to the business partner owner or employee, who will submit the form to the BPA Program Administrator.~~
- (B A) ~~The completed original fingerprint forms, along with a copy of the receipt from the local law enforcement agency for processing the form, a photocopy of each person's valid driver license or identification card issued by the state where the site is located, a completed and signed~~ A hardcopy of the fingerprint results and a Statement of Personal History Pre- Implementation Screening Process Business Partner Automation Program Privacy Statement and Instructions to Applicant form, REG 4019 (Rev. 11/2002), for each person, and the fee as authorized in Penal Code section 11105(e) for the Department of Justice (DOJ) fingerprint checks for each set of fingerprints shall be sent by trackable mail to the following address: Registration Policy and Automation Branch, P.O. Box 825393, Sacramento, CA 94232-5393. Checks shall be made payable to the Department of Motor Vehicles.
- (e) Fingerprints shall not be required when the person to be fingerprinted is a business partner owner ~~who~~ that is currently an occupational licensee of the department and ~~whose~~ has already submitted fingerprints have already been submitted to the department.
- (f) The business partner applicant shall submit evidence of compliance with Section 225.09 of these regulations.
- (g) A business partner applicant shall complete, sign and submit the Information Security and Disclosure Statement (Firm) form EXEC201X (REV. 3/2003), which is hereby incorporated by reference.
- (h) A business partner applicant that is a registration service, a dismantler or a vehicle dealer licensed by the department shall submit a copy of ~~the~~ their Occupational License form, OL 39 (REV. 7/2004) ~~form as evidence of a valid occupational license. The form is hereby incorporated by reference.~~

(i) A business partner with BPA site locations out-of-state shall maintain an office in the State of California or designate a registered agent within the State of California for service of process.

(1) The identification of a registered agent within the State of California that is available for service of process shall be provided on an application form identified in Sections 225.03(a)(1) through (3) of these regulations.

(j) The department will review a submitted application package and determine whether or not the application package is complete within ~~thirty (30)~~ 30 days of the receipt of the application package as required by Section 225.03 of these regulations. After a determination has been made by the department, written notification shall be sent to the applicant. The department will inform the applicant that the application is complete and acceptable for filing or that the application is deficient and what specific information is required by the applicant. The department will review a complete application package and decide whether or not to enter into a BPA contract within ~~ninety (90)~~ 90 days of receipt of the complete package.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code.

§ 225.06. Fingerprints.

(a) A business partner applicant shall submit fingerprints for business partner owners and employees located in California to a Live Scan facility for each person identified in Section 225.03(d) of these regulations. A copy of the Request for Live Scan Service Applicant Submission (License, Certification, Permit Only, or Business Partner Automation Program Participant) form, DMV 8016 (Rev. 4/2004 2/2008), shall be submitted for any and all persons being fingerprinted prior to participation in the BPA.

~~(1) The Request for Live Scan Service form shall contain the following:~~

~~(A) The typed or printed true, full name of the person fingerprinted.~~

~~(B) Any alias used by the person fingerprinted.~~

~~(C) The birth date of the person fingerprinted.~~

~~(D) The birthplace of the person fingerprinted.~~

~~(E) The sex, height, weight, eye color and hair color of the person fingerprinted.~~

~~(F) The driver license or identification card number of the person fingerprinted and state of issue.~~

~~(G) The social security number of the person fingerprinted.~~

~~(H) The date the fingerprints are taken.~~

~~(I) The signature of the person taking the fingerprints.~~

~~(J) A statement that the Request for Live Scan Service form shall be for the purpose of determining approval to participate in the BPA.~~

~~(K) The home address and telephone number of the person fingerprinted.~~

(b) A business partner applicant located out-of-state shall submit a hardcopy of the fingerprint results for each business partner owners-and employees ~~located out of state for each person~~ identified in Section 225.03(d) of these regulations, ~~to a Live Scan facility or to any local law enforcement agency. A Fingerprint Card form, ADM1316 (Rev. 1/97)~~ A hardcopy of the fingerprint results shall be submitted for the person being fingerprinted prior to participation in the BPA program.

~~(1) The Fingerprint Card form shall contain the following:~~

~~(A) The true, full name of the person fingerprinted.~~

~~(B) The signature of the person fingerprinted.~~

~~(C) The date the person is fingerprinted.~~

~~(D) The signature of the official at the local law enforcement agency taking the fingerprints.~~

~~(E) The name and address of the law enforcement agency performing the fingerprinting.~~

~~(F) Alias (AKA) of the person fingerprinted.~~

~~(G) The driver license or state issued identification card number of the person fingerprinted.~~

~~(H) The sex, height, weight, eye color and hair color of the person fingerprinted.~~

~~(I) The birthplace of the person fingerprinted.~~

~~(J) The date of birth of the person fingerprinted.~~

~~(K) The social security number of the person fingerprinted.~~

~~(L) On the reverse side, the "Occupational Licensing Branch" box and "Other" box shall be checked and the notation "BPA" added to explain why the "Other" box is checked.~~

~~(M) The name of the business partner that is owned by or employs the person fingerprinted.~~

~~(N) The street address and city of the business partner that is owned by or employs the person fingerprinted.~~

~~(O) The position (title) in the business of the person fingerprinted.~~

~~(P) The street address and city of the person fingerprinted.~~

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.09. Financial Security Requirements.

(a) Every applicant for issuance or renewal of a business partner permit shall submit the bond required by Vehicle Code section 1685(b)(2)(C) to the department on a Business Partner Automation Surety Bond (Vehicle Code Section 1685) form, REG 866 (Rev. 11/2008), which is hereby incorporated by reference. The conditions of the bond shall be incorporated in the REG 866 form.

(1) A deposit as provided in ~~Section 995.710 of the~~ Code of Civil Procedure section 995.710 shall be acceptable in lieu of the surety bond.

(b) The amount of financial security required shall be as follows:

(1) A first-line business partner shall maintain a bond in the amount of ~~six hundred and fifty thousand dollars (\$650,000)~~ \$650,000.

(2) A first-line service provider shall maintain a bond in the amount of ~~one million dollars (\$1,000,000)~~ \$1,000,000.

(3) A second-line business partner shall maintain a bond in the amount of ~~fifty thousand dollars (\$50,000)~~ \$50,000 when processing new vehicle reports of sale, ~~vehicle or registered owner transfer~~, legal owner transfer, vehicle license fee (VLF) refund, duplicate title, substitute vehicle license plate and sticker, substitute vehicle license sticker, non-resident, vehicle registration renewal, miscellaneous original, ~~new original~~ vessel, vessel transfer, salvage, junk, PFR additions and deletions, nonrevivable junk or nonrepairable vehicle transactions or any combination thereof.

(A) A second-line business partner shall maintain a bond in the amount of ~~ten thousand dollars (\$10,000)~~ \$10,000 when only processing registration

renewal, substitute vehicle license sticker, and substitute vehicle license plate and sticker transactions.

(c) A rider for the surety bond may be accepted when adding processing transaction(s) to the surety bond.

(d) The agreement and assignment form accompanying a deposit given in lieu of a surety bond shall be on a Business Partner Deposit Agreement and Assignment (Vehicle Code section 1685 and CCP section 995.710) form, (REG 4029, REV. 10/2008), which is incorporated by reference.

(e) A deposit shall be released by the department when either of the following conditions occur:

(1) ~~five (5)~~ Five years after the business partner ceases to do business in the BPA program when the department determines it is satisfied that there are no outstanding claims and unsatisfied final judgments against the business partner, or

(2) ~~when~~ When the contract and permit expires and is not renewed and the department is satisfied that there are no outstanding claims and unsatisfied final judgments against the business partner.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code; and Sections 995.360, 995.710 and 995.770, Code of Civil Procedure.

§ 225.27. Transaction Access.

(a) The processing of vehicle registration and titling transactions and issuing of vehicle registration indicia and documents by a business partner requires access to the department's data communication system and the vehicle registration and BPA inventory databases through a network approved by the department.

(b) A business partner's interface access shall be compatible with the department's interface. Equipment and software to access and interface with the department's databases shall be the responsibility of the business partner.

(c) A business partner shall only have access to any or all of the following transactions after approval from the department:

(1) Additions to and deletions from a PFR fleet

(2) Duplicate title

(3) Junk

(4) Legal owner transfer

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- (5) Miscellaneous original
 - (6) New vehicle reports of sale
 - (7) Non-resident
 - (8) Nonrevivable junk
 - (9) Nonrepairable vehicle
 - (10) Original registration or transfer of a vessel
 - (11) Original Nonrepairable
 - (12) Original Salvage
 - (13) Registered owner transfer
 - (14) Salvage
 - (15) Substitute vehicle license plate and sticker
 - (16) Substitute vehicle license sticker
 - (17) Substitute vehicle registration card
 - (18) Vehicle registration renewal
 - (19) Vehicle license fee (VLF) refund
- (d) The transactions approved for a business partner by the department shall be listed on the business partner's BPA application and contract.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1653 and 1685, Vehicle Code.

§ 225.35. Renewal.

(a) A business partner renewal applicant shall complete and submit the following to the BPA Program Administrator prior to the expiration of the contract and permit term:

- (1) A completed and signed Business Partner Automation Renewal Application form, REG 5056 (REV. ~~10/2008~~ 2/2010), which is hereby incorporated by reference.
- (2) A completed and signed Information Security and Disclosure Statement (Firm) form, EXEC 201X (REV. 3/2003).

- (3) A copy of the business partner's valid ~~occupational license~~ Occupational License form, OL 39 (REV 7/2004), if applicable.
- (4) A non-refundable renewal application fee of ~~one hundred and ninety-eight dollars (\$198)~~ \$198. Checks shall be made payable to the Department of Motor Vehicles.
- (b) A renewal application shall be received within ~~thirty (30)~~ 30 days of the expiration date on the BPA Authorized Business Partner Permit form, REG 4027 (REV. 6/2002), which is hereby incorporated by reference. Applications received after that date shall be required to comply with the original application requirements as specified in ~~section~~ Section 225.03 in these regulations. The ~~Business~~ business partner shall not process any transactions after the expiration of the contract and permit without the completion and approval of the BPA renewal or original application.
- (c) When the renewal contract is not fully executed within 12 months, the business partner shall comply with the original application requirements as specified in Section 225.03 of these regulations.
- Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.
- § 225.36. Change of First-Line Service Provider.**
- (a) If a second-line business partner requests to change ~~the its~~ first-line service provider ~~identified in the BPA contract~~, the second-line business partner shall complete and submit to the BPA Program Administrator a request for a change ~~in the BPA contract~~ on the Business Partner Automation Program Service Provider Change Form form, REG 4022 (Rev. 4/2002 4/2010), which is hereby incorporated by reference. The request shall be completed, signed and submitted to the BPA Program Administrator no less than ~~twenty (20)~~ 20 days prior to any change of first-line service provider.
- (b) The request shall be completed, signed and submitted to the BPA Program Administrator no less than 20 days prior to any change of first-line service provider.
- (c) The second line business partner shall remain with their current service provider for a minimum of six months prior to requesting a service provider change.
- ~~(b)~~ (d) The department will process the requested change if the proposed first-line service provider is currently authorized by the department to act as a first-line service provider and the requirements of Section 225.36(a) of these regulations are met.
- (e) A second-line business partner and its first-line service provider shall comply with the following procedures when changing first-line service providers.

(1) The second-line business partner shall collect all unassigned accountable and controlled inventory and return the inventory to the first-line service provider within seven days of changing first-line service providers.

(A) The first-line service provider that ordered or shipped the inventory at the time of ordering shall be the first-line service provider who receives the inventory from the second-line business partner.

(2) The first-line service provider may redistribute the unassigned accountable inventory to its other second-line business partners.

(3) A second-line business partner shall remain with a new first-line service provider for a minimum of six consecutive months at a time.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code.

§ 225.42. Business Partner Changes.

(a) A business partner shall notify the BPA Program Administrator within the timeframes identified for the changes listed in Sections 225.42(a)(1) through (7) of these regulations on a Business Partner Automation Program Application for Changes form, REG 4026 (Rev. ~~11/2002~~ 9/2010), which is hereby incorporated by reference. The completed and signed Business Partner Automation Program Application for Changes form shall be sent by ~~US~~ U.S. Mail or private courier to the Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS ~~E383~~ C383, Sacramento, CA 95818. The following changes shall be entered on the Business Partner Automation Program Application for Changes form:

(1) Closing a site, identified by the site identification number. The business partner shall notify the BPA Program Administrator no more than five ~~(5)~~ days after the closure of the site.

(2) Changing the business, corporate, or ~~Limited Liability Company~~ limited liability company or DBA name. The business partner shall notify the BPA Program Administrator no more than ~~twenty (20)~~ 20 days after the effective date of the name change.

(3) Adding a site. A nonrefundable processing fee of ~~one hundred and seventy-five dollars (\$175)~~ \$175 shall be submitted to the BPA Program Administrator with the Business Partner Automation Program Application for Changes form when a business partner adds a site after entering into a BPA contract.

(4) Changing the address of a principal place of business or site; or changing processing address only. The business partner shall notify the BPA Program Administrator no less than ~~twenty (20)~~ 20 days prior to the address change.

(5) Adding an employee. A business partner shall not permit an employee to access DMV inventory or data unless the business partner has complied with the requirements of Section 225.03(d) of these regulations and has received approval from the department under Section 225.18(c) for the employee to have access to DMV inventory and data.

(6) Deleting an employee. The business partner shall notify the BPA Program Administrator no more than five ~~(5)~~ days after deleting an employee from the BPA program. The business partner shall identify the reason for deleting an employee.

(A) A business partner who terminates an employee for cause related to honesty, integrity, good character and reputation, pursuant to Vehicle Code section 1865, shall notify the BPA Program Administrator no more than one ~~(1)~~ day after the termination date.

(B) A business partner who terminates an employee for cause unrelated to honesty, integrity, good character and reputation, pursuant to Vehicle Code section 1865, shall notify the BPA Program Administrator within five ~~(5)~~ day days after the termination date.

(7) Changing controlling director(s) and/or officer(s); changing member(s) of a ~~Limited Liability Company~~ limited liability company; changing management and/or supervising BPA personnel; or changing partner(s) or stockholder(s). The business partner shall notify the BPA Program Administrator no more than ~~twenty~~ (20) 20 days after the effective date of the change.

(8) Changing a preapproved floorplan and/or adding a terminal. The business partner shall notify the BPA Program Administrator no less than 20 days prior to the change.

(b) A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US U.S.~~ U.S. mail, or private courier at least ~~twenty (20)~~ 20 days prior to the effective date of the following changes:

(1) Change of "Doing Business As" (DBA) name.

(2) Change of mailing address.

(c) A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US U.S.~~ U.S. mail, or private courier no more than five ~~(5)~~ days after the effective date of the following changes:

(1) Change of operations contact person.

(2) Change of registered agent for service of process.

(d) A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier at least ~~sixty (60)~~ 60 days prior to the effective date of a change of the account number identified pursuant to Section 225.30 of these regulations.

(1) A change of the account number shall require a new EFT contract pursuant to Section 225.30 of these regulations.

(e) The business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier within seven ~~(7)~~ days of a change of telephone number.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code.

§ 225.45. Customer Fees.

(a) A business partner shall complete a Business Partner Automation Disclaimer form, REG 4020 (Rev. ~~10/2008~~ 7/2010), which is hereby incorporated by reference, for each DMV transaction when a customer fee is charged.

Exceptions: (1) A business partner completing a conditional sales contract or lease agreement pursuant to Civil Code section 2982, 2982.5 or 2985.8 may disclose the amount of any optional Business Partnership Automation program fee to process transactions identified in ~~Section section~~ Section section 225.45(b)(1) through (3) of these regulations using the sales contract or lease agreement in place of the Business Partner Automation Disclaimer form. (2) A business partner acting as a salvage pool, as specified in Vehicle Code ~~Section section~~ 543, shall be exempt from completing the form. (3) A business partner acting as a licensed registration service, as specified in Vehicle Code ~~Section section~~ section 505.2, may disclose the amount of any optional Business Partnership Automation program fee to process transactions ~~identified in Section 225.45(b)(1) through (3) of these regulations~~ using the methods required under Section 330.30, of Title 13 in the California Code of Regulations in place of the Business Partner Automation Disclaimer form.

(1) The business partner shall obtain the customer's signature on the form after the business partner enters on the form the fee amount that the business partner is charging to process the transaction.

(2) The business partner shall provide the completed original of the Business Partner Automation Disclaimer form to the customer, shall keep a completed copy, and shall send a copy to the department with the transaction documents. Voided copies of the form shall be retained with the completed copies kept by the business partner pursuant to Section 225.60 of these regulations.

~~(3) The Business Partner Automation Disclaimer form is hereby incorporated by reference.~~

(b) A customer may be charged the following maximum amounts for each type of transaction processed through to completion by a business partner:

(1) A business partner, ~~who~~ that is a licensed vehicle dealer and/or a licensed dismantler and meets the definition of a vehicle dealer as defined in Vehicle Code section 285 or a vehicle dismantler as defined in Vehicle Code sections 220, may charge up to \$25 for any transaction authorized under the Business Partnership Automation Program, in addition to any other fees authorized by statute.

~~(2) A business partner, who is a licensed registration service who meets the definition of a registration service as defined in Vehicle Code section 505.2, may charge up to \$25 for a registration renewal, substitute vehicle license plate and sticker, substitute vehicle license plate sticker, new vessel, legal owner transfer, duplicate title, or new vehicle report of sale transaction; up to \$75 for a miscellaneous original, junk, vehicle transfer, non-resident or nonrevivable junk vehicle transaction.~~

~~(3) A business partner, who meets the definition of a vessel agent as defined in Vehicle Code section 9858, may charge up to \$25 for a new vessel transaction.~~

~~(4) A business partner who is a licensed salvage pool and meets the definition of a salvage pool as defined in Vehicle Code section 543, may charge up to \$75 for salvage and nonrepairable vehicle certificates.~~

~~(e)~~ (b) A business partner, ~~who~~ that is a licensed salvage pool and meets the definition of a salvage pool as defined in Vehicle Code section 543, ~~are~~ is not authorized to charge a fee for ~~Vehicle License Fee~~ vehicle license fee refund transactions.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.54. Transaction Procedures and Inventory Requirements.

A business partner shall process transactions and control inventory according to the "BPA Transaction Procedures and Inventory Requirements Handbook" (Revised ~~March 2009~~ November 2010), which is hereby incorporated by reference.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§225.63. Audit Requirements.

(a) A business partner shall hire an independent auditor to perform three ~~(3)~~ compliance audits during the term of the BPA contract. The audits shall be conducted by an independent auditor in accordance with generally accepted government auditing standards and the department's BPA Audit Plan, which consists of the Independent Audit

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Program (August 30, 2002) and Independent Audit Program (August 30, 2002). The independent auditor shall keep confidential the department's business practices obtained in the course of an audit.

- ~~(1) The department may accept the Business Partner Automation Program Audit Self Certification form, REG. 4016 (New 12/2002), which is hereby incorporated by reference, in lieu of a compliance audit from second line business partners only.~~

 - ~~(A) The second line business partner shall submit a Business Partner Automation Program Audit Self Certification form, REG 4016 (NEW 12/2002) to the BPA Program Administrator. A copy of the form shall be submitted to the first line service provider and the Audits Office at the address indicated in Section 225.63(c).~~
 - ~~(B) The Business Partner Automation Program Audit Self Certification form shall be submitted when an audit is due as set forth in Section 225.63(a)(2) of these regulations.~~
 - ~~(2) (1) An audit is required for each ~~twelve (12)~~ 12 month period of the BPA contract. Each audit shall be completed within ~~ninety (90)~~ 90 days of the end of each ~~twelve (12)~~ 12 month audit period. A copy of the audit report, including any findings and recommendations, shall be submitted to the department within ~~sixty (60)~~ 60 days of completion of each audit.~~
 - ~~(3) (2) The independent auditor shall be licensed as a certified public accountant in good standing in the state where the site is located.~~
 - ~~(4) (3) The independent auditor shall not be part of the ownership or involved in the operation or overview of any part of the business partner's business(es).~~
- (b) The independent auditor shall sign a Registration Operations Branch Business Partner Automation Program Representative Non-Disclosure Statement form, REG 4028 (~~NEW 3/2002~~ REV 4/2003), which is hereby incorporated by reference, agreeing to protect as confidential information all department records and information including, but not limited to, residence/mailing address.
- (1) The Registration Operations Branch Business Partner Automation Program Representative Non-disclosure Statement form shall be kept with the business partner's BPA business records and available for audit.
 - ~~(2) The Representative Non-Disclosure Statement form is hereby incorporated by reference.~~
- (c) The independent auditor shall provide the business partner audit report, the independent auditor's findings and any suggested corrective action plan or audit response

developed by the business partner to the department at the following address: Department of Motor Vehicles, Audits Office, P.O. Box 932328, MS H121, Sacramento, CA 94232-3890 3280.

- (1) Audits of second-line business partners shall require that a copy of the audit report, findings and any suggested corrective action plan or audit response be sent to the department and the first-line service provider by the independent auditor. The first-line service provider shall retain and maintain a copy of the audit report and corrective action plan or audit response pursuant to Section 225.63.
- (d) A business partner shall inform the BPA Program Administrator when an independent auditor is no longer employed by the business partner to perform an audit. This notice shall be sent within seven (~~7~~) days of release of the independent auditor. The signed and written notice on business partner letterhead shall be sent by facsimile, ~~US~~ U.S. mail, or private courier when an independent auditor is released from service.
- (e) A business partner's principal place of business shall be open during normal business hours for an electronic or manual audit of the records required to be retained immediately upon a request from the State.
- (f) The department may conduct a standard random audit to verify compliance without reimbursement from a business partner.

NOTE: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.72. Voluntary Closing.

(a) A first-line service provider shall comply with the following procedures to close a site location within ~~thirty (30)~~ 30 days of cancellation or expiration of the BPA contract:

- (1) The first-line service provider shall collect all unassigned accountable and controlled inventory from all of its second-line business partner sites.
- (2) The first-line service provider shall complete a Physical Inventory (Non-DMV Entities) form, ADM175A (Rev. 2/2000), which is hereby incorporated by reference, by recording all of the unassigned accountable inventory on the form and signing the form.
- (3) The first-line service provider shall update the status of its unassigned accountable inventory on the BPA Inventory Database system.
- (4) The first-line service provider shall return the Physical Inventory (Non-DMV Entities) form and all unassigned accountable inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Forms and Accountable Items Section, 2570 24th Street, MS G202, Sacramento, CA 95818.

- (5) The first-line service provider shall return all unassigned controlled inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Inventory Management, 4201 Sierra Point Drive, Suite 112, Sacramento, CA 95834.
- (6) The first-line service provider shall return all transactions and supporting documentation by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Business Partner Automation Audits Unit, 2415 1st Ave, MS C380, Sacramento, CA 95818.
- (7) The first-line service provider shall return the permit by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.
- (b) A first-line business partner shall comply with the following procedures to close a site location within ~~thirty (30)~~ 30 days of cancellation or expiration of the BPA contract.
- (1) The first-line business partner shall collect all unassigned accountable and controlled inventory from all branch site locations.
- (2) The first-line business partner shall complete a Physical Inventory (Non-DMV Entities) form, ADM175A (Rev. 2/2000), by recording all unassigned accountable inventory on the form and signing the form.
- (3) The first-line business partner shall record the status of its accountable inventory on the BPA Inventory Database system.
- (4) The first-line business partner shall return the Physical Inventory (Non-DMV Entities) form and all unassigned accountable inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Forms and Accountable Items Section, 2570 24th Street, MS G202, Sacramento, CA 95818.
- (5) The first-line business partner shall return all unassigned controlled inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Inventory Management, 4201 Sierra Point Drive, Suite 112, Sacramento, CA 95834.
- (6) The first-line business partner shall return all transactions and supporting documentation by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Business Partner Automation Audits Unit, 2415 1st Ave, MS C380, Sacramento, CA 95818.
- (7) The first-line business partner shall return the BPA permit by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.

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(c) A second-line business partner and its first-line service provider shall comply with the following procedures to close a second-line business partner site location within ~~thirty~~ ~~(30)~~ 30 days of cancellation or expiration of the BPA contract.

(1) The second-line business partner shall collect all unassigned accountable and controlled inventory and return it to its first-line service provider within seven ~~(7)~~ days of the cancellation or expiration of the BPA contract.

(2) The first-line service provider may redistribute the unassigned accountable inventory to its other second-line business partners.

(3) The second-line business partner shall return all transactions and supporting documentation to its first-line service provider within seven ~~(7)~~ days of the cancellation or expiration of the BPA contract. The first-line service provider shall return all transactions and supporting documentation by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Business Partner Automation Audits Unit, 2415 1st Ave, MS C380, Sacramento, CA 95818.

(4) The second-line business partner shall return the BPA permit by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.